SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED EXCELERATE LIQUEFACTION SOLUTIONS (PORT LAVACA I), LLC PROJECT ON THE FINANCES OF THE CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

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Final Report

PREPARED BY

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TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Excelerate Liquefaction Solutions (Port Lavaca I), LLC Project on the Finances of the Calhoun County Independent School District Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Excelerate Liquefaction Solutions (Port Lavaca I), LLC (Excelerate) has requested that the Calhoun County Independent School District Independent School District (CCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to CCISD on May 20, 2013, Excelerate proposes to invest $2 billion to construct a new liquefied natural gas (LNG) manufacturing project in CCISD, along with related port improvements.

The Excelerate project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, CCISD may offer a minimum value limitation of $30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2016-17 and 2017-18 school years, assuming the District and the Company agree to the requested extension of the start of the two-year qualifying time period. Beginning with the 2018-19 school year, the project would go on the local tax roll at $30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with CCISD currently levying a $0.08 per $100 I&S tax rate. The full taxable value of the investment is expected to reach $1.89 billion in the 2018-19 school year, which represents an approximate 50 percent increase in the District's underlying taxable value, which will assist CCISD in meeting its debt service needs.

In the case of the Excelerate project, the agreement will call for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. Assuming current law, CCISD would experience a revenue loss of $14.2 million as a result of the implementation of the value limitation in the 2018-19 school year, with smaller revenue losses in the out-years of the limitation period.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $118.3 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11of the agreement as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made $4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's students in weighted average daily attendance (WADA) count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by $325 and $365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the six cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year. In the case of CCISD, it is now classified as a formula school district. The 2011-12 school year was the last year that it received ASATR funding. Given the delay in the start of the qualifying time period and the 2018-19 school year as the initial limitation year, no offsetting ASATR funding is assumed in the estimates presented below.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Excelerate project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 and HB 1025 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year is maintained until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. As noted above, the estimates below are not affected by ASATR funding.

Two Chapter 313 applications approved previously by the CCISD Board of Trustees for Formosa Plastics are also factored into the base, with the earlier agreement expiring with the 2018-19 school year, and the second agreement expiring with the 2023-24 school year. The projected taxable values of the Excelerate project are also factored into the base model used here, to represent a scenario where the project is fully taxed in the absence of a value limitation agreement. The impact of the limitation value for the proposed Excelerate project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 3,868 students in average daily attendance (ADA) in analyzing the effects of the Excelerate project on the finances of CCISD. The District's local tax base reached $3.67 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the proposed property value limitation. An M&O tax rate of $1.04 per $100 is used throughout this analysis. CCISD has estimated state property wealth per weighted ADA or WADA of approximately $689,418 for the 2015-16 school year, which means the District will remain subject to Tier I recapture at the $504,000 per WADA equalized wealth level used in this analysis, even with the proposed value limitation in place. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for CCISD under the assumptions outlined above through the 2030-31 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions. In addition, CCISD is more affected by the absence of recapture on tax effort above the compressed tax rate, since its recapture level exceeds the Austin yield.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Excelerate facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Excelerate value but imposes the proposed property value limitation effective in the third year, which in this case is the 2018-19 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

It should be noted that the revenue-loss methodology used here is the same approach that has been used to calculate hold-harmless losses for school districts since the first property value limitations were approved in 2002. Comparing the limitation model with one assuming that the project is fully taxed has been the accepted approach for more than a decade, with very few exceptions. Major projects such as Toyota and two major Samsung expansions were based on the revenue-loss methodology used in this report. Both existing Formosa Plastics agreements were based on this approach.

Under these assumptions, CCISD would experience a revenue loss of $14.2 million as a result of the implementation of the value limitation in the 2018-19 school year. The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which also reflects the one-year lag in value associated with the state property value study.

Based on the information summarized in Table 4, the combined Tier 1 and Tier II M&O tax savings for Excelerate total $19.3 million for the initial limitation year, the 2018-19 school year. Given its lower M&O tax collections in this amount, CCISD would be expected to see its recapture costs reduced by $5.07 million in that year, for both Tiers I and II of the Foundation School Program. Beyond that, however, there is no additional state aid offset, which reflects CCISD's classification as a "formula" school district.

Moving ahead to the 2019-20 school year, reduced recapture costs of $17.8 million offset nearly all of the reduction in M&O tax collections associated with the value limitation for the Excelerate project in that year, although $790,414 is owed as a hold-harmless amount that is linked to a reduction in M&O tax revenue not subject to recapture in Tier II, due to the lower tax base resulting from the value limitation agreement. Annual losses near this amount remain for the remaining six years subject to the value limitation.

The key to the reduced recapture costs beginning in the 2019-20 school year is recognition of the $30 million value limitation for M&O taxes included in the Comptroller's state property value study, which lags by one year, as noted earlier. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. Two state value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.04 per $100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $136.6 million over the life of the agreement. In addition, Excelerate would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $0.8 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key CCISD revenue losses are expected to total approximately $19.1 million over the course of the agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $118.3 million over the life of the agreement.

Facilities Funding Impact

The Excelerate project remains fully taxable for debt services taxes, with CCISD currently levying a $0.08 per $100 I&S tax rate. The value of the Excelerate project is expected to increase the underlying tax base of CCISD by approximately 50 percent in the peak value year for the project, which would be a substantial boost in meeting the District's debt service obligations.

The Excelerate project anticipates 150 new positions once the plant begins operations in 2018. The impact on enrollment in CCISD will depend on the availability of housing and family-location decisions made by the Excelerate employees. Given that CCISD enrolls approximately 4,000 students, the District should be able to enroll some additional students from these families without a major impact on its facilities.

A more immediate concern is the 2,000 construction workers expected to be working on the project in 2017, compared with 1,000 construction workers in place in 2016. Given the uncertainty about the impact of the families of these workers on student enrollment in CCISD, provisions related to extraordinary educational expenses that may be incurred by CCISD should be included in the agreement.

Conclusion

The proposed Excelerate manufacturing project enhances the tax base of CCISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated $118.3 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value would substantially enhance the tax base of CCISD in meeting its future debt service obligations.

Table 1 – Base District Information with Excelerate Liquefaction Solutions Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2015-16	3,867.85	5,340.17	$1.0401	$0.0800	$3,697,815,484	$3,697,815,484	$3,681,608,100	$3,681,608,100	$689,418	$689,418
1	2016-17	3,867.85	5,340.17	$1.0401	$0.0800	$3,717,628,484	$3,717,628,484	$3,591,508,100	$3,591,508,100	$672,545	$672,545
2	2017-18	3,867.85	5,340.17	$1.0401	$0.0800	$3,806,785,484	$3,806,785,484	$3,611,321,100	$3,611,321,100	$676,256	$676,256
3	2018-19	3,867.85	5,340.17	$1.0401	$0.0800	$5,744,393,566	$3,888,428,566	$3,700,478,100	$3,700,478,100	$692,951	$692,951
4	2019-20	3,867.85	5,340.17	$1.0401	$0.0800	$5,667,877,991	$3,877,564,041	$5,638,086,182	$3,782,121,182	$1,055,787	$708,240
5	2020-21	3,867.85	5,340.17	$1.0401	$0.0800	$5,594,270,770	$3,867,318,770	$5,561,570,607	$3,771,256,657	$1,041,459	$706,205
6	2021-22	3,867.85	5,340.17	$1.0401	$0.0800	$5,523,455,457	$3,857,657,457	$5,487,963,386	$3,761,011,386	$1,027,675	$704,287
7	2022-23	3,867.85	5,340.17	$1.0401	$0.0800	$5,455,322,817	$3,848,546,817	$5,417,148,073	$3,751,350,073	$1,014,415	$702,477
8	2023-24	3,867.85	5,340.17	$1.0401	$0.0800	$5,442,971,463	$3,893,159,463	$5,349,015,433	$3,742,239,433	$1,001,656	$700,771
9	2024-25	3,867.85	5,340.17	$1.0401	$0.0800	$5,376,616,798	$3,881,733,798	$5,336,664,079	$3,786,852,079	$999,343	$709,126
10	2025-26	3,867.85	5,340.17	$1.0401	$0.0800	$5,307,887,910	$3,866,115,910	$5,270,309,414	$3,775,426,414	$986,918	$706,986
11	2026-27	3,867.85	5,340.17	$1.0401	$0.0800	$5,242,290,278	$5,242,290,278	$5,201,580,526	$3,759,808,526	$974,047	$704,061
12	2027-28	3,867.85	5,340.17	$1.0401	$0.0800	$5,179,606,304	$5,179,606,304	$5,135,982,894	$5,135,982,894	$961,764	$961,764
13	2028-29	3,867.85	5,340.17	$1.0401	$0.0800	$5,119,677,780	$5,119,677,780	$5,073,298,920	$5,073,298,920	$950,025	$950,025
14	2029-30	3,867.85	5,340.17	$1.0401	$0.0800	$5,062,357,213	$5,062,357,213	$5,013,370,396	$5,013,370,396	$938,803	$938,803
15	2030-31	3,867.85	5,340.17	$1.0401	$0.0800	$5,007,509,801	$5,007,509,801	$4,956,049,829	$4,956,049,829	$928,069	$928,069

***Basic Allotment: $5,040; AISD Yield: $61.86; Equalized Wealth: $504,000 per WADA**

Table 2– "Baseline Revenue Model"--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2015-16	$34,202,207	$1,298,465	$0	$0	-$8,738,687	$3,437,399	$0	-$645,374	$29,554,010
1	2016-17	$34,385,718	$1,298,465	$0	$0	-$8,186,476	$3,455,842	$0	-$634,778	$30,318,770
2	2017-18	$35,211,500	$1,298,465	$0	$0	-$8,520,608	$3,538,835	$0	-$653,250	$30,874,943
3	2018-19	$53,508,672	$1,298,465	$0	$0	-$14,056,512	$5,377,742	$0	-$1,014,122	$45,114,245
4	2019-20	$52,787,566	$1,298,465	$0	$0	-$27,054,410	$5,305,269	$0	-$1,294,605	$31,042,285
5	2020-21	$52,093,831	$1,298,465	$0	$0	-$26,349,711	$5,235,547	$0	-$1,269,964	$31,008,168
6	2021-22	$51,426,371	$1,298,465	$0	$0	-$25,671,461	$5,168,466	$0	-$1,246,251	$30,975,590
7	2022-23	$50,784,162	$1,298,465	$0	$0	-$25,018,628	$5,103,923	$0	-$1,223,430	$30,944,492
8	2023-24	$50,658,995	$1,298,465	$0	$0	-$24,635,057	$5,091,343	$0	-$1,213,267	$31,200,479
9	2024-25	$50,034,027	$1,298,465	$0	$0	-$24,266,285	$5,028,533	$0	-$1,197,000	$30,897,739
10	2025-26	$49,387,414	$1,298,465	$0	$0	-$23,632,185	$4,963,546	$0	-$1,174,540	$30,842,700
11	2026-27	$48,507,313	$1,298,465	$0	$0	-$22,874,224	$4,875,094	$0	-$1,146,312	$30,660,336
12	2027-28	$47,926,727	$1,298,465	$0	$0	-$22,277,317	$4,816,744	$0	-$1,125,531	$30,639,088
13	2028-29	$47,371,662	$1,298,465	$0	$0	-$21,706,403	$4,760,959	$0	-$1,105,658	$30,619,024
14	2029-30	$46,840,752	$1,298,465	$0	$0	-$21,160,102	$4,707,601	$0	-$1,086,644	$30,600,072
15	2030-31	$46,332,749	$1,298,465	$0	$0	-$20,637,136	$4,656,546	$0	-$1,068,446	$30,582,178

Table 3– "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2015-16	$34,202,207	$1,298,465	$0	$0	-$8,738,687	$3,437,399	$0	-$645,374	$29,554,010
1	2016-17	$34,385,718	$1,298,465	$0	$0	-$8,186,476	$3,455,842	$0	-$634,778	$30,318,770
2	2017-18	$35,211,500	$1,298,465	$0	$0	-$8,520,608	$3,538,835	$0	-$653,250	$30,874,943
3	2018-19	$35,967,688	$1,298,465	$0	$0	-$9,317,148	$3,614,834	$0	-$681,677	$30,882,162
4	2019-20	$35,867,060	$1,298,465	$0	$0	-$9,826,053	$3,604,720	$0	-$692,324	$30,251,868
5	2020-21	$35,772,167	$1,298,465	$0	$0	-$9,730,387	$3,595,183	$0	-$688,857	$30,246,571
6	2021-22	$35,682,682	$1,298,465	$0	$0	-$9,640,144	$3,586,190	$0	-$685,587	$30,241,606
7	2022-23	$35,598,299	$1,298,465	$0	$0	-$9,555,019	$3,577,709	$0	-$682,503	$30,236,950
8	2023-24	$36,011,506	$1,298,465	$0	$0	-$9,606,173	$3,619,238	$0	-$689,023	$30,634,012
9	2024-25	$35,905,680	$1,298,465	$0	$0	-$9,866,959	$3,608,602	$0	-$693,781	$30,252,007
10	2025-26	$35,761,026	$1,298,465	$0	$0	-$9,754,135	$3,594,064	$0	-$689,271	$30,210,149
11	2026-27	$48,507,313	$1,298,465	$0	$0	-$13,249,494	$4,875,094	$0	-$931,745	$40,499,633
12	2027-28	$47,926,727	$1,298,465	$0	$0	-$22,277,317	$4,816,744	$0	-$1,125,531	$30,639,088
13	2028-29	$47,371,662	$1,298,465	$0	$0	-$21,706,403	$4,760,959	$0	-$1,105,658	$30,619,024
14	2029-30	$46,840,752	$1,298,465	$0	$0	-$21,160,102	$4,707,601	$0	-$1,086,644	$30,600,072
15	2030-31	$46,332,749	$1,298,465	$0	$0	-$20,637,136	$4,656,546	$0	-$1,068,446	$30,582,178

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2015-16	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2016-17	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	2017-18	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	2018-19	-$17,540,984	$0	$0	$0	$4,739,364	-$1,762,908	$0	$332,445	-$14,232,083
4	2019-20	-$16,920,506	$0	$0	$0	$17,228,356	-$1,700,549	$0	$602,281	-$790,417
5	2020-21	-$16,321,664	$0	$0	$0	$16,619,324	-$1,640,364	$0	$581,107	-$761,597
6	2021-22	-$15,743,689	$0	$0	$0	$16,031,317	-$1,582,276	$0	$560,664	-$733,984
7	2022-23	-$15,185,863	$0	$0	$0	$15,463,609	-$1,526,213	$0	$540,926	-$707,541
8	2023-24	-$14,647,489	$0	$0	$0	$15,028,884	-$1,472,106	$0	$524,244	-$566,467
9	2024-25	-$14,128,347	$0	$0	$0	$14,399,326	-$1,419,931	$0	$503,220	-$645,732
10	2025-26	-$13,626,388	$0	$0	$0	$13,878,051	-$1,369,483	$0	$485,269	-$632,551
11	2026-27	$0	$0	$0	$0	$9,624,729	$0	$0	$214,567	$9,839,297
12	2027-28	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	2028-29	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	2029-30	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	2030-31	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial impact of the Excelerate Liquefaction Solutions Project Property Value Limitation Request Submitted to CCISD at $1.04 M&O Tax Rate

School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
2015-16	$0	$0	$0	$1.040	$0	$0	$0	$0	$0	$0	$0
2016-17	$19,813,000	$19,813,000	$0	$1.040	$206,075	$206,075	$0	$0	$0	$0	$0
2017-18	$108,970,000	$108,970,000	$0	$1.040	$1,133,397	$1,133,397	$0	$0	$0	$0	$0
2018-19	$1,885,965,000	$30,000,000	$1,855,965,000	$1.040	$19,615,922	$312,030	$19,303,892	$0	$19,303,892	-$14,232,083	$5,071,809
2019-20	$1,820,313,950	$30,000,000	$1,790,313,950	$1.040	$18,933,085	$312,030	$18,621,055	$117,338	$18,738,394	-$790,417	$17,947,976
2020-21	$1,756,952,000	$30,000,000	$1,726,952,000	$1.040	$18,274,058	$312,030	$17,962,028	$117,338	$18,079,366	-$761,597	$17,317,769
2021-22	$1,695,798,000	$30,000,000	$1,665,798,000	$1.040	$17,637,995	$312,030	$17,325,965	$117,338	$17,443,303	-$733,984	$16,709,319
2022-23	$1,636,776,000	$30,000,000	$1,606,776,000	$1.040	$17,024,107	$312,030	$16,712,077	$117,338	$16,829,415	-$707,541	$16,121,874
2023-24	$1,579,812,000	$30,000,000	$1,549,812,000	$1.040	$16,431,625	$312,030	$16,119,595	$117,338	$16,236,933	-$566,467	$15,670,466
2024-25	$1,524,833,000	$30,000,000	$1,494,833,000	$1.040	$15,859,788	$312,030	$15,547,758	$117,338	$15,665,096	-$645,463	$15,019,633
2025-26	$1,471,772,000	$30,000,000	$1,441,772,000	$1.040	$15,307,901	$312,030	$14,995,871	$117,338	$15,113,209	-$632,796	$14,480,413
2026-27	$1,420,559,000	$1,420,559,000	$0	$1.040	$14,775,234	$14,775,234	$0	$0	$0	$0	$0
2027-28	$1,371,131,000	$1,371,131,000	$0	$1.040	$14,261,134	$14,261,134	$0	$0	$0	$0	$0
2028-29	$1,323,426,000	$1,323,426,000	$0	$1.040	$13,764,954	$13,764,954	$0	$0	$0	$0	$0
2029-30	$1,277,383,000	$1,277,383,000	$0	$1.040	$13,286,061	$13,286,061	$0	$0	$0	$0	$0
2030-31	$1,232,946,000	$1,232,946,000	$0	$1.040	$12,823,871	$12,823,871	$0	$0	$0	$0	$0
			Totals		**$209,335,206**	**$72,746,965**	**$136,588,241**	**$821,367**	**$137,409,607**	**-$19,070,349**	**$118,339,258**

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	$0	$821,367	$821,367
	Credits Earned		$821,367
	Credits Paid		$821,367
	Excess Credits Unpaid		$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**